

Education and Workforce Development Cabinet

Kentucky's jobless rate remained at 8.4 percent in October 2012

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Editor's Note: Preliminary October and revised September labor market information are included in this release.

FRANKFORT, Ky. (Nov. 15, 2012) — Kentucky's seasonally adjusted preliminary unemployment rate remained steady at 8.4 percent from September 2012 to October 2012, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary October 2012 jobless rate was .9 percentage points below the 9.3 percent rate recorded for the state in October 2011.

The U.S. seasonally adjusted jobless rate rose to 7.9 percent in October 2012 from 7.8 percent in September 2012, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates and are compiled to measure trends rather than actually to count people working.

In October 2012, Kentucky's civilian labor force was 2,084,019, an increase of 10,539 individuals compared to the previous month, and employment also grew at about the same pace with the addition of 10,310 jobs.

"Historically, this is the highest recorded monthly gain in both employment and in the labor force, but it's important to recognize that it's a statistical spike, an anomaly," said economist Manoj Shanker of the OET. "When the data is averaged over three months it shows that Kentucky's employment took a definite positive turn starting in September 2011 and continues to grow steadily."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment lost 6,600 jobs in October 2012 from the previous month. On an over-the-year basis, the state's nonfarm employment has grown by 2 percent with the addition of 35,700 jobs.

“It is important not to read too much into a one-month decline, especially when it occurs after 16 months of steady growth,” said Shanker.

Nonfarm data is provided by the Bureau of Labor Statistics’ Current Employment Statistics program. According to this survey, two of Kentucky’s 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while eight declined and one remained the same.

Kentucky’s educational and health services sector grew by 1,500 jobs in October 2012. The sector has posted a gain of 1,800 jobs since October 2011.

“Health care jobs account for nearly 90 percent of employment in this sector and continue to be a major source of growth,” Shanker said.

The financial activities sector rose by 500 jobs in October 2012. Compared to October a year ago businesses involved in finance, insurance, real estate and property leasing added 1,500 jobs.

Kentucky’s manufacturing sector remained flat in October 2012 compared to the previous month. Since October 2011, employment in manufacturing has increased by 4,500 jobs or 2.1 percent.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, declined by 200 in October 2012. Compared to a year ago, there has been a gain of 800 jobs.

The information sector dropped by 400 jobs in October 2012. This segment has 700 more positions compared to October 2011. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

Employment in the mining and logging sector declined by 600 positions in October 2012. The number of jobs in this sector has dropped by 1,600 or 7.2 percent since last October.

“The United States is on track to becoming the biggest energy producer in the world by 2020, but coal seems to be playing an ever smaller role in that equation,” Shanker said. “Employment in coal mining has declined steadily in the face of competition from low-cost natural gas.”

The leisure and hospitality sector fell by 900 jobs in October 2012. Since October 2011, the sector has grown by 7,700 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

The construction sector lost 1,400 positions in October 2012 from a month ago. Since October 2011, employment in construction has fallen by 2,100 positions or 3.2 percent.

“The housing market continues to be overstocked in Kentucky, and employment will be flat at best until the backlog is cleared,” said Shanker.

Kentucky's professional and business services sector shrunk by 1,500 jobs in October 2012. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last October, jobs in the sector have increased by 14,600 or 7.6 percent.

The government sector, which includes public education, public administration agencies and state-owned hospitals, decreased by 1,600 jobs in October 2012. The sector had 200 more jobs compared to October 2011.

Kentucky's trade, transportation and utilities sector lost 2,000 jobs in October 2012. This is the largest sector in Kentucky with 374,200 positions, and accounts for about 20 percent of nonfarm employment. Since October 2011, jobs in this sector have increased by 7,600 or 2.1 percent.

"The sudden decline in trade and transportation is almost entirely from a contraction in retail sales employment. This reflects pay-back after stronger than usual hiring in September when retail employment was up by over 2 percent with the addition of 4,300 jobs," said Shanker.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.